

Message Text

UNCLASSIFIED

PAGE 01 OECD P 32510 202009Z

50

ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

EA-11 FRB-02 INR-10 IO-14 NEA-10 NSAE-00 RSC-01

OPIC-12 SPC-03 TRSE-00 CIEP-02 LAB-06 SIL-01 OMB-01

DRC-01 SCI-06 SCEM-02 INT-08 PA-04 PRS-01 USIA-15

/169 W

----- 060953

R 201611Z DEC 73

FM USMISSION OECD PARIS

TO SECSTATE WASHDC 0000

UNCLAS OECD PARIS 32510

DEPT PASS LABOR FOR SEGALL AND STEWART

E.O. 11652: N/A

TAGS: ELAB, EIND, EMIN, OECD

SUBJECT: IND: TUAC PRESENTS VIEWS TO AD HOC WORKING PARTY ON THE
STEEL INDUSTRY, DECEMBER 18, 1973

1. SUMMARY. PURPOSE OF TUAC PRESENTATION WAS TO PERSUADE
AD HOC WORKING PARTY TO TAKE INTO ACCOUNT SOCIAL COSTS AND
POSSIBLE ADVERSE EFFECT ON WORKERS OF UNPLANNED EXPANSION OF
STEEL INDUSTRY. TUAC STRESSED NEED FOR PLANNED EXPANSION AND
ORDERLY MARKETING TO AVOID UNNECESSARY UNEMPLOYMENT IN DEVELOP-
ED COUNTRIES. IN LDC'S, TUAC URGED COST OF DECENT WORKING
CONDITIONS AND OF ECONOMIC INFRA-STRUCTURE BE PART OF
INVESTMENT CALCULATION. ALLEGATION STRONGLY MADE THAT
MNC'S AND JAPANESE STEEL COMPANIES WERE PROMOTING "INTERNATIONALI-
ZATION OF STEEL INDUSTRY" WHICH WILL ENDANGER WORKERS
INTERESTS IN DEVELOPED COUNTRIES AND LDC'S. IN LOW-KEY RESPONSE,
WP CHAIRMAN SAID WORK PROGRAM STILL OPEN TO SUGGESTION,
NOTED COMPLEX NATURE OF STEEL INDUSTRY AND SAID WP WOULD
CONSIDER MANPOWER FACTORS IN INVESTMENT DECISIONS. END SUMMARY

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OECD P 32510 202009Z

2. TUAC PRESENTATION BY CARL CASSERINI (INTERNATIONAL METAL

WORKERS FEDERATION) CONSISTED OF STRONG PITCH FOR CONSIDERATION OF WORKERS' INTEREST IN NEW PLANTS, PARTICULARLY IN LDC'S. CASSERINI ASKED AD HOC COMMITTEE TO RECOGNIZE NEED FOR BETTER SAFETY MEASURES, ELIMINATION OF SHIFT WORK IN ALL BUT CONTINUOUS PRODUCTION PROCESS, TRAINING PROGRAMS TO ALLOW UNSKILLED WORKERS DISPLACED BY MODERN TECHNOLOGY TO BE RETAINED, AND PLANNING OF INVESTMENT AND RATIONALIZATION IN WAYS WHICH WOULD MINIMIZE DISPLACEMENT OF WORKERS AND REGIONAL UNEMPLOYMENT.

3. CASSERINI LINKED UNEMPLOYMENT TO OVER-PRODUCTION AND DISORDERLY MARKETING. HE SUGGESTED THAT WP INVESTMENT STUDY (1) GATHER INFORMATION ON STEEL INDUSTRY IN LDC'S AND ON INVESTMENT PLANS OF ADVANCED COUNTRIES; (2) DO LONG RANGE FORECAST OF DEMAND FOR STEEL; (3) STUDY ROLE OF STOCK AND INVENTORY IN GROWING INTERNATIONAL STEEL TRADE. HE ALLEGED THAT "INTERNATIONALIZATION OF STEEL INDUSTRY" BY MNC'S, JAPANESE COMPANIES AND INTERNATIONAL IRON AND STEEL INSTITUTE MADE CHRONIC UNEMPLOYMENT PROBABLE BECAUSE IT IGNORED NEED FOR SOUND PLANNING. HE SAID VOLUNTARY RESTRICTIONS ON EXPORTS WERE TEMPORARY MEASURES WHICH PROVED NEED FOR INTERNATIONAL PLANNING AND HE FELT THOROUGH CONSIDERATION OF SOCIAL AND ENVIRONMENTAL COSTS OF INVESTMENT IN LDC'S MIGHT MAKE MODERNIZATION OF PLANTS IN DEVELOPED COUNTRIES MORE ATTRACTIVE. IN LINKING UNEMPLOYMENT TO ENERGY, CASSERINI SUGGESTED PLANTS BE CAPABLE OF USING TWO OR THREE DIFFERENT SOURCES OF ENERGY.

4. PRESENTATION BY US STEELWORKERS REPRESENTATIVE CLOWES FOCUSED ON BACKGROUND OF UPCOMING CONTRACT NEGOTIATIONS, PARTICULARLY SUBMISSION OF DISAGREEMENTS TO BINDING ARBITRATION IN ORDER TO AVOID INDUSTRY-WIDE STRIKE. CLOWES POINTED OUT THAT PAST HISTORY OF STRIKES HAD FORCED US BUYERS TO RELY ON FOREIGN STEEL SUPPLIERS AND TO STOCK PILE IN ANTICIPATION OF STRIKES, RESULTING IN SIGNIFICANT LAYOFF AND UNEMPLOYMENT PROBLEMS RIGHT AFTER CONTRACTS HAD BEEN SIGNED. CLOWES URGED POTENTIAL FOREIGN INVESTORS TO HEED RECENT BAD EXPERIENCE OF GERMAN INVESTORS WHO REFUSED TO BARGAIN WITH STEELWORKERS IN SOUTH CAROLINA PLANT. HE THOUGHT JAPANESE CONSORTIUM INVESTING IN AUBURN, N.Y. PLANT WOULD ADHERE TO US LAW AND LOCAL GROUND RULES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 OECD P 32510 202009Z

5. CHAIRMAN OF WORKING PARTY SAID THAT WORK PROGRAM HAD NOT BEEN DETERMINED YET AND THEREFORE TUAC VIEWS WERE USEFUL. HE NOTED THAT SOCIAL WELL-BEING OF WORKERS WAS NOT PART OF MANDATE BUT SINCE EEC DISCUSSION OF INVESTMENT CONSIDERED THESE FACTORS. COMPARABLE CONSIDERATION MIGHT ALSO BE GIVEN AT OECD. HE NOTED THAT FORECAST OF DEMAND AND ESTIMATION OF VARIOUS COSTS OF INVESTMENT WERE DECEP-

TIVELY DIFFICULT AND COMPLICATED BUT MADE IT CLEAR WORKING
PARTY WOULD CAREFULLY CONSIDER MANPOWER FACTORS IN STEEL
INDUSTRY INVESTMENT. HE ALSO NOTED THAT OIL, TEXTILES
AND ALUMINUM WERE FAR MORE "INTERNATIONAL" THAN STEEL AND THERE
WERE SIGNIFICANT OBSTACLES TO INTERNATIONALIZATION OF
STEEL INDUSTRY.ROGERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973OECDP32510
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731213/aaaaajjp.tel
Line Count: 121
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 12 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12-Dec-2001 by williad>; APPROVED <18-Jan-2002 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IND: TUAC PRESENTS VIEWS TO AD HOC WORKING PARTY ON THE STEEL INDUSTRY, DECEMBER 18, 1973
TAGS: ELAB, EIND, EMIN, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005